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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1922.

No. 476.

THEODORE A. HEYER, doing business as T. A. HEYER DUPLICATOR COMPANY,

Petitioner,

vs.

DUPLICATOR MANUFACTURING COMPANY,

Respondent.

BRIEF FOR RESPONDENT.

Statement of the Case.

This case comes before this court through the granting of a petition for a writ of certiorari, and presents for review a decision of the United States Circuit Court of Appeals for the Seventh Circuit reversing the decision of the United States District Court for the Northern District of Illinois, Eastern Division.

The reversal was unanimous as to one of the acts of petitioner-defendant complained of by respondent-

plaintiff, and by a majority of the Judges of the Appellate Court as to the other of the two acts complained of.

The Appellate Court unanimously held that petitioner had infringed claim 42 of respondent's patent No. 965,887 by making and selling to respondent's customers spindles, or spools, for use as parts of duplicating machines made and sold by respondent, and a majority of the Appellate Court held that petitioner had also infringed respondent's patent by making and selling to respondent's customers gelatinous bands for use as parts of said duplicating machines.

The *spindles, or spools, and the duplicating bands are expressly recited in claim 42 of respondent's patent as elements of the combination in which the invention resides,* and they were sold by petitioner with the knowledge and intent that they were to be assembled with the frames of duplicating machines purchased from respondent. *The bands and spools are not supplies for use in connection with the patented duplicating machine,* nor are they products of the machine. *They are parts of the machine itself, and when they are assembled with the frame of the machine the patented invention is made.**

The decision of this court in *Leeds & Catlin Co.* v. *Victor Talking Machine Co.,* 213 U. S., 325, was relied upon by the Court of Appeals as the authority for its decision. The facts before this court in the Victor case and those presented in the instant case are remarkably similar. In the Victor case the invention related to talking machines and resided in a combination of the sound record with the reproducing stylus. The defendant manufactured and sold records to purchasers of Victor talking machines for use in combination with the styli thereof.

* For convenience, the parties will hereinafter be designated as they were in the trial court, the petitioner as defendant and the respondent as plaintiff.

While talking machime records wear out, yet the object and intent of users of talking machines in buying records from the defendant was primarily to increase the usefulness of their machines by making it possible to play a number of records on them. In plaintiff's duplicating machine, a band furmished by defendant is assembled, with its spools and frame, not because the previously used band has worn out (although the band does wear out in time), but either because it cannot be immediately reused, or because it is not of the proper width for the new master copy. The new band therefore serves to increase the usefulness of the machine.

This court held that a purchaser of a Victor talking machine who assembled with the stylus thereof a record purchased from the defendant *made the invention*, and therefore infringed the Victor patent, and that the defendant who had made and sold the record with the knowledge and intent that it was to be used in a Victor talking machine was a contributory infringer.

The Court of Appeals in the instant case held that a purchaser of plaintiff's duplicating machine who assembled with the frame thereof, a duplicating band or spools purchased from defendant, made the invention and infringed plaintiff's patent, and that the defendant who made and sold duplicating bands and spools with the knowledge and intent that they were to be used in plaintiff's duplicating machine, was a contributory infringer.

The question of law involved in the case at bar is the same as that decided by this court in the Victor case, namely, that the portion of the patent monopoly which grants to the patentee the exclusive right to *make* the invention is infringed when the elements of the combination in which the invention resides are brought together in their co-operative relation through the purchaser of

one of the patented machines assembling with one or more elements thereof other elements purchased from an unauthorized party.

In deciding the foregoing question of law, necessarily it was also decided that a purchaser of a patented machine acquired an implied license under the patent only as to the particular machine purchased, and acquired no implied license to make another physical embodiment of the machine by replacing in the purchased machine parts which are elements of the combination in which the patented invention resides.

BRIEF OF ARGUMENT.

Subject-Matter.

The plaintiff has for many years been in the business of manufacturing and selling duplicating machines embodying the invention covered by the patent in suit, and particularly claim 42 thereof, and has sold many thousands of such machines.

The machine comprises a supporting frame, in the opposite ends of which are removably journaled spindles or spools to which are connected the ends of a duplicating band, which in practice is 14½ feet long, and of a width varying according to the width of the particular master copy which is to be duplicated. The entire band is initially wound on one spindle which is rotatably supported at the rear end of the frame and a portion thereof is drawn over the supporting surface of the frame by rotating the other spindle supported at the forward end of the frame. The master copy is applied to the exposed portion of the band and after its removal the desired number of duplicate copies are made. The portion of the band which has been used is then wound upon the forward

spindle, and the next succeeding portion of the band is thereby brought above the support to have applied to it another master copy. In this manner the band is unwound step by step from the rear spindle and coincidently wound upon the forward spindle, until the entire length of the band has been used. The roll, composed of the spindles and band attached to them, is then removed from the frame, and after the band has remained out of use for twenty-four hours so as to allow the ink to be absorbed by the back of the band, it is again assembled with the frame for reuse by placing the spindle upon which the band has been wound during its previous use, at the rear end of the frame, and the empty spindle at the forward end of the frame.

The band may then be again used, and as succeeding portions thereof serve their purpose of receiving impressions from master copies and transferring such impressions to the desired number of duplicate copies, it is progressively wound upon the spindle at the forward end of the machine.

The spindles are each provided, at each end, with a squared chuck-engaging portion and a cylindrical bearing, so that when the endwise positions of the spindles relative to the sides of the frame are changed during the succeeding uses of the band, there will be a squared chuck-engaging portion on the forward spindle in engagement with the driving mechanism, which is located only at one side of the machine.

Each band is capable of being used a large number of times and of making a total of from ten to fifteen thousand copies from the various master copies applied to the band.

Each duplicating machine must be provided with as many bands as are necessary for a single day's use of the

machine, as the same band cannot be used twice over during the same day. Each duplicating machine is also provided with bands of different widths to correspond to different widths of master copies.

Although each duplicating band is capable of making ten to fifteen thousand copies, yet eventually they wear out and must be replaced by new bands. As the spindles do not wear out, it is the practice of users of plaintiff's duplicating machines to return the rolls, the bands of which have worn out, to plaintiff, who then removes the worn bands and secures to the spindles new bands.

The profit derived by the plaintiff company from its business is not due to the sale of duplicating machines, but to the supplying of customers who have purchased such duplicating machines, new bands, either to replace worn bands, or to add to the number of bands in use on the machine, in order that its use may not be interrupted by an insufficient supply of bands, and in order that bands of the various requisite widths for different master copies may be on hand.

The defendant, through solicitations to purchasers of plaintiff's duplicating machines, has built up a business of selling to the users of plaintiff's duplicating machines rolls to be assembled with the frames of such machines. The defendant has not only made a practice of obtaining from users of plaintiff's machines rolls, the bands of which have worn out, and making new rolls by removing the worn bands and securing to the old spindles new bands, but has also made and sold to plaintiff's customers new spindles, as well as new bands.

The spindles are of special construction, *incapable of use on any other existing make of duplicating machines.* The spindles are not perishable, but may be used an indefinite length of time by removing from them the worn-out bands and attaching new duplicating bands.

The question presented is whether the purchasers of plaintiff's duplicating machines have the right, as a mere matter of repair, to purchase from defendant new spindles and bands and assemble them with the frames of the duplicating machines purchased from plaintiff, or whether the assembling with the frames of duplicating machines purchased from plaintiff, of new spindles and bands, constitutes a reconstruction of the patented invention, and hence an infringement of plaintiff's patent.

Defendant contends that a matter of public interest is involved, inasmuch as the decision of the Court of Appeals for the Seventh Circuit renders it possible for a patentee to compel purchasers of patented machines to buy from him any parts of the machine which constitute elements of the claimed invention when such parts are needed to replace broken or worn-out parts, thereby subjecting purchasers of patented machines to possible imposition through patentees charging exorbitant prices for such replacement parts.

Plaintiff submits that a much broader and more vital matter of public interest is involved than that limited portions of the public, who purchase certain patented machines, may be able to buy such replacement parts for their purchased patented machines as constitute elements of the invention from unauthorized persons, who make a business of selling at reduced rates, and usually of inferior quality, such replacement parts, rather than obtain them, during the term of the patent, from the patentee.

The great benefits which the American public has derived from the patent system through its encouragement of inventors by securing to them for the limited term of seventeen years exclusive monopolies for their inventions, renders it a matter of much greater public interest that the Patent Statutes should be liberally, rather than

narrowly, construed, so as to afford the greatest possible encouragement to inventors.

The interpretation given by the Court of Appeals for the Seventh Circuit of the law which grants to a patentee the exclusive right to make his invention, is therefore of much greater benefit to the public at large than the more limited interpretation contended for by defendant.

Patent in Suit.

It is not necessary to consider in detail the specification and drawings of the patent in suit, inasmuch as the only claim at issue is claim 42, which reads as follows:

> "In a multiple copying machine, the combination with a machine frame having on one side thereof a journal bearing and on the opposite side a chuck, of a duplicating band, and a spool on which said duplicating band is wound, said spool having at each end a squared chuck-engaging member and a cylindrical bearing member, whereby said spool is interchangeable end for end between said chuck and journal bearing, substantially as described." (R. 94.)

The above claim it will be observed covers a combination comprising three elements, as follows:

(1) A machine frame having on one side thereof a journal bearing and on the opposite side a chuck; (2) a duplicating band; and (3) a spool on which said duplicating band is wound, said spool having at each end a squared chuck-engaging member and a cylindrical bearing member, whereby said spool is interchangeable end for end between said chuck and journal bearing.

The most important advantage of providing a spool of the construction defined in the claim, so that it is interchangeable end for end between the chuck and journal bearing on the frame, is that after a band has been unwound step by step from the rear spool onto the forward

spool, the positions of the spools may be reversed in the succeeding use of the band, thereby obviating the necessity of rewinding the band onto the spindle from which it was unwound in its previous use, as would be necessary if the construction of the spindles or spools were not such as to permit their relative positions to be changed in the machine for each succeeding use of the band.

For economic reasons, simplicity of construction and convenience of operation, the driving mechanism for rotating the spools is at one side of the machine, and hence when the relative positions of the spools are changed, and they are necessarily reversed end for end in their engagement with the frame of the machine, the spindles may be engaged with the driving means through the location of the squared chuck-engaging member on the spool with the chuck at the driving side of the machine, and the engagement of the cylindrical bearing member at the opposite end of the spool or spindle with the journal bearing at the opposite side of the frame of the machine.

The capability of reversing the spools, through the structural features defined in the claim, not only avoids the rewinding of the band from one spool to another after each use of the band, but attains an additional important advantage. The reversing of the position of the band at each succeeding use brings the edge of the band which was at the right during one use to the left during a succeeding use. As the master copies are written with a uniform margin at the left, and a necessarily uneven margin at the right, owing to the different length of lines, the reversing of the band serves to evenly distribute the wear upon it.

The removability of the spools from the frame of the duplicating machine not only is utilized when a band has been completely unwound from one spindle onto the

other, but permits the removal of the band of one width when a new master copy, which is to be duplicated, is of a different width from the band then on the machine. A band of the approximate width of the particular master copy to be duplicated may consequently be placed in position upon the machine.

The capability of readily assembling with the frame of the machine bands of different widths results in two advantages:

(1) By using bands of widths corresponding to the widths of the master copies, economy is effected over the use of a band of maximum width for all widths of master copies, as obviously, if only one width of band is used, it must be of the maximum width in order that the machine may be used in duplicating all widths of master copies.

(2) When a band is used of a width greater than the master copy, it becomes worn only throughout that portion of its width which receives the impression from the master copy and which is engaged by the sheets of paper upon which the duplicate copies are made, and hence the band is unevenly worn, so that the sheets of paper will not be evenly pressed against the band, which results in imperfect copies.

The structural features of the frame and spools set forth in claim 42 therefore result in important advantages in the construction and operation of plaintiff's duplicating machine. The frame is provided on one side with a journal bearing and on the opposite side with a chuck, so that the machine need only be provided with driving mechanism on one side thereof to rotate the chuck, thereby simplifying the construction of the machine and facilitating its operation. By providing the spools with a squared chuck-engaging member and a

cylindrical bearing member at each end, the spools may engage the journal bearing and chuck on the opposite sides of the frame of the machine, when the spools are reversed end for end in their engagement with the frame.

During each use of the band, it is progressively unwound from one spool onto the other, and when it is reused the positions of the spools are reversed in their engagement with the frame of the machine, so that the band may be again progressively used without having previously been rewound onto the spool from which it had been unwound during its previous use. This capability not only saves time, but evenly distributes the wear on the band.

The structural co-operation of the sides of the frame and the ends of the spools also permits the band to be disconnected from the frame and a band of different width appropriate to a new master copy conveniently assembled with the machine, regardless of which of its spools it may be wound upon.

Gelatine *bands* had been used on duplicating machines prior to the date of the patent in suit, but the spindles forming part of the gelatine rolls are novel and peculiar to the plaintiff's machine. This is testified to by the witness Abbott (R. 25), where, in answer to the question, "Are there any other duplicating machines on the market, to your knowledge, in which spindles like those used on plaintiff's machine could be used?" replied, "There are none; not to my knowledge."

Whether the bands and spools were either or both new or old and whether patented or unpatented *per se* are immaterial in view of the Victor decision, which effectively disposes of this matter in the following statement:

> "A combination is a composition of elements, some of which may be old and others new, or all old or all new. It is, however, the combination that is the

invention, and is as much a unit in contemplation of law as a single or non-composite instrument. Whoever uses it without permission is an infringer of it. Whoever contributes to such use is an infringer of it. It may be well here to get rid of a misleading consideration. It can make no difference as to the infringement or non-infringement of a combination that one of its elements or all of its elements are unpatented." (pp. 332, 333.)

The fact, therefore, that the gelatine roll and its separate elements (the spindles and the gelatine band) are unpatented *per se* is wholly immaterial and irrelevant to the question of contributory infringement.

Defendant's Infringement.

The validity of claim 42 of plaintiff's patent was not seriously questioned by defendant. The only question concerning which there is any real controversy is whether the acts of defendant constitute contributory infringements of plaintiff's patent.

The acts of the defendant complained of are stipulated as follows:

"That within six (6) years prior to the filing of the Bill of Complaint in this cause, the defendant manufactured and sold in the Northern District of Illinois, Eastern Division, rolls, each comprising a duplicating band secured at its ends to and wound upon spools, each spool having at each end thereof a squared chuck-engaging member, and a cylindrical bearing member; that the spools of some of the rolls so sold by defendant were made by or for defendant, and duplicating bands secured to such spools by or for defendant, while the spools of other of the rolls so sold by defendant had been made by or for plaintiff and were purchased by defendant from parties who had bought from plaintiff rolls comprising such spools and duplicating bands thereon; and that defendant manufactured and sold said rolls with the knowledge and intent that they were to be used in

so-called 'Commercial Duplicators' manufactured and sold by plaintiff." (R. 18.)

There are two separate and distinct acts of defendant, each of which the Appellate Court held to be an infringement of plaintiff's patent:

(1) The practice of defendant in making new spindles comprising at each end a squared chuck-engaging member and a cylindrical bearing member; in securing to such new spindles a new duplicating band, thereby making what is known as a duplicating roll; and in selling such new rolls to users of plaintiff's duplicating machines to be assembled with the frames of the machines; and

(2) The practice of defendant in obtaining from users of plaintiff's machines spools or spindles which had been sold by plaintiff as parts of rolls, and attaching to such spindles new duplicating bands, and then selling to users of plaintiff's duplicating machines such newly constructed rolls for use as parts of such machines.

In the first of the above acts complained of, defendant has made and sold two of the three elements which constitute plaintiff's invention as defined by claim 42, namely, the duplicating band and the spools to which it is secured, so that when the users of plaintiff's duplicating machines assemble such rolls with the frames of the machines they thereby make the invention, and violate the exclusive right of plaintiff under its patent to manufacture the duplicating machine covered thereby.

The spools or spindles which are sold by plaintiff as parts of its duplicating machine are not perishable, but are of substantial construction and with ordinary care in use will last an indefinite length of time. That this is true is evidenced by the fact that the same spools repeatedly have new duplicating bands secured to them.

Mr. Abbott, vice-president of the plaintiff company, with which he had been connected for eleven years prior to the trial, testified that he had seen plaintiff's duplicat-

ing machines in use every day doing regular work in the office of the plaintiff company, and said (R. 38):

> "Q. Have you known of spindles on the rolls being broken in usage?
> "A. I never knew of one. I never knew of anywhere any spindle being broken in use."

Mr. Harold Wright, employed in the contract department of the Chicago Edison Company, testified that plaintiff's machines had been in use, in his office about ten years, and said (R. 37):

> "Q. During that period of ten years have the spindles on the rolls broken?
> "A. I have never heard of any of them breaking. I have never seen a broken one."

The defendant Heyer produced and offered in evidence five spindles manufactured by plaintiff which had been broken. They had been received by express in a shipment of 192 spindles which defendant had obtained from the American Bridge Company. Defendant had not been present when the spindles were broken and did not know how they were broken. It seems obvious from an inspection of them that they were broken through rough handling in transportation. Heyer testified that he had seen one spindle broken when in use, but his testimony is very uncertain as to whether such spindle was one manufactured by plaintiff, or some poorly made spindle manufactured by an infringer (R. 34-35).

Defendant produced, when on the witness stand, seven broken spindles as spindles manufactured by the plaintiff, but when the trial court examined them and questioned the witness about them he admitted that two of them were not manufactured by the plaintiff (R. 33-34). The one spindle which defendant claims he saw broken in usage may therefore not have been manufactured by plaintiff, but may have been a cheap imitation.

However, even if the one spindle which defendant

claimed he saw broken in usage had been manufactured by plaintiff, or even if the five broken spindles made by plaintiff which defendant offered in evidence had been broken in usage, such evidence would fall far short of proving that the spindles are perishable, or that they so deteriorate through usage that they have to be replaced. An inspection of the use of one of plaintiff's duplicating machines makes it clearly apparent that the spindles are not subjected to such strains in regular usage as to either break them or impose such wear upon them as to necessitate their being replaced by new spindles.

The practice of the plaintiff in attaching new bands to previously used spindles, and the action of the defendant in obtaining old rolls from plaintiff's customers and after removing the used bands from the spindles, attaching new bands to them and reselling them to plaintiff's customers, establish beyond controversy that the spindles are capable of indefinite use without breaking or being rendered unserviceable through wear.

The Appellate Court unanimously held that the users of plaintiff's duplicating machines, who buy spindles or spools from the defendant and assemble such spindles or spools with the machine frames, reconstruct the invention, and thereby infringe plaintiff's patent. The majority of the Appellate Court sustained plaintiff's contention that it is not only entitled to an injunction restraining the defendant from making and selling new spindles to be assembled with the frames of plaintiff's duplicating machines, but that it is entitled also to an injunction restraining defendant from applying new duplicating bands to spools or spindles made by plaintiff, and selling such reconstructed rolls to users of plaintiff's machines for assembly with the frames of such machines.

While it is true that the duplicating bands wear out through usage and are less durable than the frames or spools of plaintiff's duplicating machines, yet the bands are used to make many thousands of copies of manuscripts. The witness Abbott testified (R. 22) in answer to a question as to how many copies can be made from a band before it is useless that "In ordinary work from ten to fifteen thousand copies. Sometimes greatly beyond that." The witness Wright testified (R. 29) in answer to a question how many copies can be made from each band before it is worn out, "We figure about twelve or thirteen thousand." The witness Bauer testified (R. 31) in answer to a question how many copies can be made from a roll before it is useless, "That is pretty hard to tell. We have one roll or two rolls at the present time in our office that I think we purchased last year, the 10th of June, and today (April 15) it is being in use yet." The band is one of the three elements of plaintiff's invention as defined by claim 42, and when defendant furnishes new bands for plaintiff's machines, he contributes to the infringement of plaintiff's patent, which occurs when users of plaintiff's machines assemble with the frames thereof new duplicating bands, and thereby reconstruct the invention.

It determining whether the act of defendant in furnishing new bands for assembly with the frames of plaintiff's duplicating machines, constitutes merely a repair, as distinguished from a reconstruction of the invention, it should be borne in mind that when a band is assembled with one of plaintiff's machines, it is not because the previously used band has worn out and is no longer fit for service but because the previously used band must be allowed to dry for a period of twenty-four hours before it can be used again. The new band does not therefore replace a worn-out band, but adds to the utility

of the machine by permitting its continued use through the successive assembling therewith of different bands. When a user of one of plaintiff's machines purchases a band from defendant, such new band does not replace in the machine a worn-out band, but is used as one of the series of bands which the user of the machine must have in order that he may obtain the desired continuous and uninterrupted service from his machine.

That the new bands sold by defendant, when assembled with the frames of plaintiff's duplicating machines, do not necessarily replace worn-out bands is evident from the fact that various widths of bands are used on each machine, according to the width of the master copy which is to be duplicated. When a band of one width has been used and it is desired to make duplicate copies from a master copy of a different width, the previously used band is removed, not because it is worn out, but to permit the assembly with the frame of the machine of a band of the desired width appropriate for the new master copy.

Authorities.

The decision of the Court of Appeals which is before this court for review does not involve the questions decided by this court in the decisions in *Straus* v. *Victor Talking Machine Co.*, 243 U. S., 490; *Motion Picture Co.* v. *Universal Film Co.*, 243 U. S., 502; *Boston Store* v. *Am. Graphophone Co.*, 246 U. S., 8; *United Shoe Machinery Corp. et al.* v. *United States*, 258 U. S., 451, cited by Judge Alschuler in his partially dissenting opinion and quoted in petitioner's brief, namely, that unpatented supplies for use in connection with a patented machine cannot be monopolized under the patent covering the machine, and that a patentee cannot con-

trol the resale price of patented machines sold by him.

This court in its decision in *Henry* v. *Dick,* 224 U. S., 1, gave its approval to the right of a patentee (which right had been recognized since the decision of the United States Circuit Court of Appeals for the Sixth Circuit, in *Heaton-Peninsular Button-Fastener Co.* v. *Eureka Specialty Co.,* 77 Fed., 288, October 2, 1896, commonly known as the Button-Fastener case), to control the use of machines embodying the patented invention even after the sale of such machines by the owner of the patent, and held that the owner of a mimeograph patent could, under its patent monopoly, retain the right to furnish to purchasers of its mimeographs, ink, stencil paper, and other supplies, to be used in connection with such machines.

This court, however, in the Motion Picture Patents case, 243 U. S., 502, April 9, 1917, by a divided court, overruled its decision in *Henry* v. *Dick,* and deprived the owners of patents of the right, previously recognized, to monopolize unpatented supplies used in connection with the patented machines. This court in the Motion Picture Patents case, however, did not curtail the right of a patentee to monopolize the construction or reconstruction of machines embodying the patented invention, or the right to supply new elements of its patented combination, to replace original elements which through usage had broken or worn out.

The duplicating band and the spindles constitute two of the three elements of the combination which claim 42 of the patent in suit covers. The band and spools are not mere supplies to be used in connection with plaintiff's patented duplicating machines, but constitute elements of the machine itself.

Whether the patent statutes should be so construed as to deprive patentees of the right to monopolize the

sale of unpatented supplies for use in connection with their patented machines, has been seriously questioned by many versed in patent law, including three members of this court, who dissented in the Motion Picture Patents case; and it is submitted that the rights of patentees should not be still further curtailed by depriving them of the right, under their patent monopolies, to exclusively furnish *elements* of their *patented combinations* for use with the other elements of such combinations, in order that the patented machines may be reconstructed. Such right of a patentee in no wise deprives the public of any rights which it had acquired, prior to the granting of the patent, or the right to use the various elements of the patented combination in all other connections than in the combination covered by the patent.

The *plaintiff in the case at bar has not sought and has not been given, a monopoly on supplies, such as ink and paper, used in connection with its duplicating machines, but only a monopoly on the making of the invention itself.* Plaintiff's customers, when they assemble with the frames of machines purchased from plaintiff, duplicating bands or spools purchased from defendant, *make* the invention, as the invention is created when the elements thereof, the frame, duplicating bands and spools, are assembled in co-operative relation.

This court said in *Bauer* v. *O'Donnell*, 229 U. S., 1, 10:

> "In framing the act and defining the extent of the rights and privileges secured to a patentee Congress did not use technical or occult phrases, but in simple terms gave an inventor the exclusive right to make, use and vend his invention for a definite term of years. The right to make can scarcely be made plainer by definition, and embraces the construction of the thing invented. . . ."

The defendant in the case at bar, when he furnishes duplicating bands or spools with the knowledge and intent that they are to be assembled in co-operative relation with the old frames of patented duplicating machines sold by plaintiff, contributes to the "construction of the thing invented" and infringes plaintiff's patent.

In *Thomson-Houston Electric Co.* v. *Ohio Brass Co.*, 80 Fed., 712, 721, the patent in suit related to electric railways of the overhead trolley type. The defendant sold the switch and trolley elements of the combination. Mr. Chief Justice Taft, in rendering the opinion of the Circuit Court of Appeals for the Sixth Circuit, clearly stated the law of contributory infringement as follows:

> "It is well settled that where one makes and sells one element of a combination covered by a patent with the intention and for the purpose of bringing about its use in such a combination he is guilty of contributory infringement and is equally liable to the patentee with him who in fact organizes the complete combination (citing *Wallace* v. *Holmes*, 9 Blatchford, 65)."

A brief review of the leading authorities will, we believe, conclusively show that both of the acts of the defendant complained of, namely, making and selling rolls composed of new bands and new spindles, and rolls composed of new bands and old spindles, constitute contributory infringements of plaintiff's patent, as distinguished from merely enabling purchasers of plaintiff's duplicating machine to make legitimate repairs.

Leeds & Catlin Co. v. *Victor Talking Machine Co.*, 213 U. S., 325.

This decision, which was rendered in April, 1909, is the last one by this court relating to the question of repair versus reconstruction. The claim of Berliner patent No. 534,543, involved in said cause, read as follows:

"35. In a sound-reproducing apparatus consisting of a traveling tablet having a sound record formed thereon and a reproducing stylus shaped for engagement with said record and free to be vibrated and propelled by the same, substantially as described."

The defendant supplied new records, or traveling tablets, to users of plaintiff's talking machines, who assembled such records with machines purchased from the plaintiff. They were held to thereby reconstruct the invention and infringe the claim. This court reviewed the authorities on the question of law involved and very clearly stated the principles underlying its decision, as follows:

"A combination is a composition of elements, some of which may be old and others new, or all old or all new. It is, however, the combination that is the invention, and is as much a unit in contemplation of law as a single or non-composite instrument. Whoever uses it without permission is an infringer of it. Whoever contributes to such use is an infringer of it. It may be well here to get rid of a misleading consideration. It can make no difference as to the infringement or non-infringement of a combination that one of its elements or all of its elements are unpatented. For instance, in the case at bar the issue between the parties would be exactly the same, even if the record disc were a patented article which petitioner had a license to use or to which respondent had no rights independent of his right to its use in the combination. In other words, the fact that the disc sold by petitioner is unpatented does not affect the question involved except to give an appearance of a limitation of the rights of an owner of a Victor machine other than those which attach to him as a purchaser. The question is: What is the relation of the purchaser to the Victor Company? What rights does he derive from it? To use the machine, of course, but it is the concession of the argument of petitioner that he may not reconstruct it. Has he a li-

cense to repair deterioration, and when does repair become reconstruction? *It would seem that, on principle, when deterioration of an element has reached the point of unfitness, there is a destruction of the combination, and a renewal of the element is a reconstruction of the combination. And it would also seem on principle that there could be no license implied from difference in the durability of the elements or periodicity in their use.* This, however, is asserted; and we come to the consideration of the cases upon which the assertion is based, and how far it has application under the facts of this record." (pp. 332, 333.) (Italics ours.)

The facts before this court in the said case were quite similar to those in the case at bar. While talking machine records wear out owing to the abrasion of the groove by the needle, yet the object and intent of users of talking machines in buying records from the defendant was primarily to increase the usefulness of their talking machines by making it possible to use them to play a number of records. When a different record was applied to the machine, it was not necessarily because the previous record had worn out. In plaintiff's duplicating machine, a new or different band is applied, not necessarily because the previously used band has worn out, but because it cannot be immediately reused, and the new band serves to increase the usefulness of the machine.

A band may be assembled with the frame of plaintiff's machine because a previously used band is not of a proper width for the new master copy. The utility of a talking machine, if restricted to a single record purchased from the plaintiff, would be extremely limited; in fact, much more so than the utility of one of plaintiff's duplicating machines if limited to use with a single band purchased with the machine. A single band can be used to make ten to fifteen thousand copies in one

of plaintiff's duplicating machines, while it is well recognized, and the court will doubtless take judicial notice of the fact, that a talking machine record cannot be used more than two hundred times before it is so deteriorated as to be unpleasant to listen to.

This court in its opinion clearly distinguished the facts before it from those which were passed upon by this court in *Morgan Envelope Co.* v. *Albany Paper Co.*, 152 U. S., 425, in which the patent in suit covered a fixture for holding rolls of toilet paper, and included as an element of the fixture the roll of paper. The defendant supplied rolls of paper to users of the plaintiff's fixtures. The court held that the defendant was not a contributory infringer, inasmuch as the rolls of paper which it supplied were not parts of the patented machine, but were merely the articles which the machine was designed to handle. This court said (431):

> "The first defence raises the question whether, when a machine is designed to manufacture, distribute, or serve out to users a certain article, the article so dealt with can be said to be a part of the combination of which the machine itself is another part. If this be so, then it would seem to follow that the log which is sawn in the mill; the wheat which is ground by the rollers; the pin which is produced by the patented machine; the paper which is folded and delivered by the printing press, may be claimed as an element of a combination of which the mechanism doing the work is another element. The motion of the hand necessary to turn the roll and withdraw the paper is analogous to the motive power which operates the machinery in the other instances."

In the Talking Machine case this court said with respect to its decision in *Morgan Envelope Co.* v. *Albany Paper Co.*, as follows (335):

> ". . . Not one of the determining factors there stated exists in the case at bar. If the operative relation of the paper roll to the mechanism was as

illustrated (and the court left no doubt that it was), that is, of the log to the saw in the mill, wheat to the rollers which grind it, pins which are produced by a patent machine; in other words, in no more operative relation than a machine and its product are, the invalidity of the combination was hardly questionable. *And, besides, it was made a determining circumstance that the paper perished by its use, and a periodical renewal was indicated to be a renewal 'whenever the device was put to use.'* The case has no principle or reasoning applicable to the case at bar." (Italics ours.)

The decision of the Court of Appeals in the case at bar is on all fours with the decision in the Victor Talking Machine case and is in full accord with prior decisions, a few of which will be briefly referred to.

American Cotton Tie Co. v. *Simmons*, 106 U. S., 89.

The patent covered a tie for bales of cotton, comprising a metallic band and a buckle for holding the band tightly around the bale. In order to release the bale from the tie, the band was severed. The defendant separated the buckles from the severed bands, secured the pieces of the bands into a continuous strip, cut such strip into proper lengths for new ties, and applied the buckles thereto. The ties were marked with a license restriction to a single use. This court did not base its opinion upon such restriction, but held that the defendant had reconstructed the patented tie and was hence an infringer. The defendant merely used the same bands and buckles which had been released from plaintiff's monopoly through the sale by plaintiff of bale ties. The defendant in the case at bar has gone much further, in that the band which he supplies is entirely new, and not one reconstructed from the bands sold by plaintiff.

Davis v. *Edison*, 60 Fed., 276.

The Court of Appeals for the First Circuit held that the defendant in supplying new filaments in the incandescent electric bulbs covered by plaintiff's patent had reconstructed the invention, and, therefore, infringed plaintiff's patent. The filament was less durable than the glass bulb, the other element of the combination, in which the invention resided, but the court, nevertheless, held that the purchaser of such incandescent bulbs did not have any right, under the doctrine of repair, to insert a new filament in place of one which had burned out.

Morrin v. *White*, 143 Fed., 519.

The Court of Appeals for the Second Circuit in this case held that, while a purchaser of a tubular boiler from the owner of a patent covering the same had a right to replace a single burned out tube with a new tube, yet it did not have the right to supply an entirely new set of tubes in the boiler, and held that the patent had been infringed through reconstruction of the boiler purchased from the owner of the patent.

Petitioner contends that the decision of the Court of Appeals in the instant case is in conflict with the decision of this court rendered nearly seventy-five years ago in *Wilson* v. *Simpson*, 9 How., 109, 122. This court in the Victor Talking Machine case distinguished the facts from those involved in the *Wilson* v. *Simpson* case. The facts in the case at bar bring it clearly within the Victor Talking Machine case, and hence distinguish it in the same respects as the Victor Talking Machine case from *Wilson* v. *Simpson*.

This court pointed out that the defendant in the Victor Talking Machine case did not mend broken or worn-out records, but furnished new records "more frequently in

order to increase the repertory of tunes than as substituted for worn-out records." This is precisely the situation in the case at bar. Here petitioner makes no pretense of mending broken or worn-out gelatin bands or spools. Just as the practical utility of a phonograph depends upon the use therewith of a considerable number and variety of musical record disks, so the practical utility of respondent's machine depends upon the use in connection therewith of a considerable number and variety of gelatin rolls, because after a single roll has received one impression throughout its length it must be laid aside for twenty-four hours before it is again capable of reuse, during which time another roll, and perhaps several rolls successively, must be substituted therefor. Petitioner, therefore, in supplying rolls to users of respondent's machine, primarily does this to "increase the repertory" of the machine, and only incidentally to replace worn-out rolls.

Plaintiff contends, therefore, that the Court of Appeals, under the facts established by the proofs, correctly held the Leeds-Victor case to be controlling of the case at bar, rather than the older cases of *Wilson* v. *Simpson*, *supra*, and *Chaffee* v. *Boston Belting Company*, 22 Howard, 217.

Petitioner contends that the decision of the Court of Appeals in the case at bar is at variance with other decisions rendered since the decision of this court in the Victor Talking Machine case. A consideration of the later decisions does not support petitioner's contention, but shows that they have construed the decision in the Victor Talking Machine case no differently than has the Court of Appeals in the instant case.

National Malleable Casting Co. v. *American Steel Foundries,* 182 Fed., 626.

Judge Rellstab, in the District Court of New Jersey, very carefully reviewed the authorities on the question of repair, as distinguished from reconstruction, and held that the defendant had infringed plaintiff's car coupler patent by selling to railroads, which had purchased from plaintiff car couplers, new locks to replace broken locks. The court commented upon the fact that the defendant did not actually repair a defective part, but supplied new parts to railroad companies in advance of actual need thereof, in which respect the case was similar to the case at bar. The court further said that, whether the rights of the parties were measured by claims covering the locks separately, or by considering the lock merely as an element of the combination, the result was infringement. This case was decided subsequently to, and cited as an authority, the decision of this court in *Leeds & Catlin Co.* v. *Victor Talking Machine Co.*

The matter quoted by petitioner from this decision is a mere *obiter dictum.* The judgment of the court was that the substitution of the lock in a car coupler *did constitute contributory infringement.* In this case the court clearly pointed out how the right of substitution of broken elements, if extended to other parts of the coupler, would enable a duplication of complete couplers to be obtained without resorting to the patentee.

The Court of Appeals for the 7th Circuit in *Morgan Gardner Electric Co.* v. *Buettner & Shelburne Machine Co.*, 203 Fed., 490, held that a defendant was not guilty of contributory infringement when it had supplied a small protective device of a perishable character to a user of a machine purchased from plaintiff embodying the invention covered by the patent in suit. The only instance in

which the defendant had supplied a perishable protecting device was done through the plaintiff's connivance. The court commented upon the fact that the only part of the plaintiff's patented machine which the defendant furnished in the single instance had to be destroyed in order to perform its intended function.

The testimony in said case failed to establish any knowledge or intent by the defendant that the device sold by it should be used in an infringing combination. Hence the judgment was necessarily in defendant's favor, irrespective of the perishable or permanent character of the supplied element complained of. The court said:

> "As above stated, the record fails to show any evidence of intent on the part of appellee to furnish parts for any infringing machine, and it must be assumed for the purposes of this suit that it did not."

The said decision is therefore clearly distinguishable from the Talking Machine case, which was not referred to, and from the facts presented by the case at bar.

F. F. Slocomb & Co. v. *A. C. Layman Machine Co.*, 227 Fed., 94 (Delaware District Court).

The defendant furnished some repair parts to owners and users of some of plaintiff's leather staking machines. The plaintiff was, however, guilty of gross laches in asserting its alleged rights against the defendant. The plaintiff had previously to instituting the suit itself sold to the defendant the necessary repair parts for it to sell to owners and users of the plaintiff's leather staking machines. The court said (100, 101):

> ". . . It is to be gathered from the evidence that the cause of the friction and controversy between the complainant and the defendant was not the mere furnishing of repair parts by the latter which the former had countenanced and facilitated, but the fact that

the defendant was placing or about to place on the market a piece of mechanism intended to compete with the staking machine of the patents in suit. The charge of contributory infringement with respect to the furnishing of repair parts savors too strongly of an afterthought, and I am unable to sustain the bill on that ground."

The Court of Appeals for the Seventh Circuit in *Williams* v. *Barnes*, 234 Fed., 339, pointed out the essential distinction between the decisions of this court in the Morgan Envelope case and in the Talking Machine case, and held that the defendant, who furnished to purchasers of the plaintiff's time register, paper dials for use therein, was not a contributory infringer. The paper dials were not a part of the mechanism of the time register, but were operated upon by the mechanism so as to make a record, which when made was removed from the register. The court in its said decision in distinguishing the case before it from the Talking Machine case, and aligning it with the Morgan Envelope case, gave such an interpretation to the Talking Machine case as would clearly include as infringements of plaintiff's patent, the acts of the defendant herein complained of. The court said (340, 341):

"As the Victor case holds, it is not determinative of the question of such contributory infringement that the element is unpatented. The test is whether the element, as part of the patent combination, is perishable in its nature, consumed in the use and necessarily to be replaced in each successive use of the combination. If it is, then at any rate in the absence of some restriction, the purchaser of the device in which the combination is to be effected for practical use is impliedly licensed to replace the consumable element. . . .

"Assuming for the moment that the adjustment, the exact fitting of the paper dial to the clock arbor, can be said to cause them to coact in producing the

result in the sense that the phonograph disk and stylus of the Victor machine coact, the fundamental difference between this dial and the phonograph record is that the latter, not only is not physically destroyed in a single use, but it is not destroyed as a record; it is designed to be used, and is used, over and over again in its original function as an element in the patented combination, to produce the identical result attained by its original use."

Neither the spindles nor the duplicating band, which form two of the three elements of the combination of claim 42 of the patent in suit, which the defendant manufactures and sells to users of plaintiff's duplicating machines, are perishable, as was the roll of toilet paper in the Morgan Envelope case, or the paper dial in the Time Register case. But, on the other hand, the spindles are in no sense perishable, as they are used over and over again, and each band is used over and over again from end to end in making duplicating copies of any desired number of master copies to the extent of ten to fifteen thousand.

The spindles and the duplicating band are not products of the machine, but are essential and necessary elements of the machine itself, and together with the frame of the machine by which they are supported, serve to permit the duplicating machine to produce thousands of duplicate copies from master copies.

Foglesong Machine Co. v. *Randall Co.,* 239 Fed., 893, 895, 6th Circuit Court of Appeals.

The replaced machine parts, in this case, were not elements of the combination of the patent and hence the patented invention was not reconstructed, but merely repaired. The court said:

"The elements in the combination claims in the plaintiff's patent, on which the infringement decree

rests and which represent the advance in the art made by plaintiff's assignors, were not disturbed by the defendant but left intact with the possible exception of the hopper; and that was not characteristic of the invention until it received its peculiar mounting in connection with the undisturbed revoluble parts."

The Court of Appeals for the Eighth Circuit in its recent decision in *Wilson* v. *Union Tool Co.*, 265 Fed., 669, 672, said:

> "The principle that a right of the user of a patented device extends to repairs of the device does not go to the extent of replacing parts such as obtaining duplicates or spare parts and extras in anticipation of breakage or destruction."

The court cited the decision in *National Casting Co.* v. *American Steel Foundries, supra.*

The above statement of the law is pertinent to the case at bar, inasmuch as the owners and users of plaintiff's duplicating machines must keep on hand a number of rolls comprising bands and spindles owing to the fact that the same roll cannot be used twice within twenty-four hours, and must also keep on hand rolls having bands of various widths which are used according to the width of the particular master copy which is to be duplicated. When the owners and users of plaintiff's duplicating machines assemble with the frames of the machines rolls manufactured and purchased from the defendant, they do not do so because the band of the previously used roll has worn out, but because whether or not it has worn out, it cannot be immediately used again, or because it is not of the proper width for the new master copy.

The act of the owners and users of plaintiff's duplicating machines in assembling with the frames, spindles and bands made by and purchased from defendant, is therefore not an act of repair, but constitutes a reconstruction

of the patented combination of elements covered by claim 42 of plaintiff's patent.

Hess Bright Mfg. Co. v. *Bearings Co.*, 271 Fed., 350, District Court, E. D. Penn.

The court in this case held that defendant repaired the original element of the combination and did not supply a new element. This case is, therefore, irrelevant.

The decisions above briefly referred to include all those cited in defendant's brief as having been decided since the decision of this court in the Victor Talking Machine case, and a consideration of them clearly shows that they are in no wise inconsistent with the decision of the Court of Appeals for the Seventh Circuit in the case at bar. In none of them was it held that a purchaser of a patented machine had the right to acquire from others than the patentee replacement parts which were elements of the combination which constituted the invention.

Any decision holding to the contrary would be clearly in conflict with the decision of this court in the Victor Talking Machine case, as will be apparent from the following quotation from the opinion of this court, in which it referred to the decision of the Court of Appeals for the Second Circuit, which was affirmed:

> ". . . And the court concluded that upon these facts it was clear that petitioner had 'made and sold a single element of the claims of the Berliner patent, with the intent that it should be united to the other elements and complete the combination. And this is infringement. *Heaton Peninsula Co.* v. *Eureka Co.*, 77 Fed. Rep. 297; adopted by this court, *Courtelyou* v. *Lowe*, 111 Fed. Rep. 1005.'
>
> "Petitioner contests the conclusion and opposes it by the principle, which, it is contended, is established by cases in this court, as well as at circuit, that 'the person who has purchased a patented combination from the patentee has the right to replace an un-

patented element of the combination and for such purpose to purchase such element from another than the patentee or his licensee.' To bring this principle in clear relief it is said that 'the majority of the Circuit Court of Appeals has held that such replacement of a single unpatented element of the combination is reconstruction and not within the rights of the purchaser of the patented combination from the patentee.' And, to complete its argument, petitioner adds that where an inventor so arranges the parts of his patented combination that it cannot satisfactorily, successfully or usefully be continued in use, without successive replacements of one of its elements, 'the replacement of such element, if unpatented, by the purchaser of the combination from the patentee is in *accordance with the intention of the patentee and not a reconstruction* of the patented combination, but an act within the rights of the purchaser.' . . ." (Pp. 331, 332.)

The foregoing contentions of the petitioner in the Victor case, which were disapproved by this court, were substantially the same as the contentions now made by the petitioner in the case at bar.

Sale of Duplicating Machines Implies No License to Rebuild Them.

When a patentee sells a physical embodiment of his patented invention, he impliedly grants a license under his patent to the purchaser to use the patented machine. The implied license under the patent monopoly goes no further, however, than the particular physical embodiment of the invention sold. When such physical embodiment of the invention ceases to exist through the destruction of an element of the combination in which the invention resides, the license terminates.

Defendant contends that when plaintiff sells one of its patented duplicating machines, it impliedly grants a

license under its patent, not only for the use of the machine as sold, but for the use of a subsequent physical embodiment of the invention which the purchaser makes by assembling with the old frame of the machine duplicating bands and spools purchased from the defendant. A similar situation existed in the Talking Machine case, where the plaintiff sold a talking machine comprising a sound record and a reproducing stylus, and the defendant furnished additional sound records to purchasers of the Victor talking machines. This court, however, held that the implied license under the patent which passed to the purchaser of a Victor talking machine was restricted to the use of the particular machine sold, and did not extend to the machine when other records than those sold by the Victor Company were used.

The law as to the extent of an implied license was clearly stated by Judge Lurton in the opinion of the Court of Appeals for the Sixth Circuit in *Edison Electric Light Co.* v. *Peninsula,* 101 Fed., 831, 836, as follows:

> "It is evident that the extent of an implied license must depend upon the peculiar facts of each case. The question in each case is whether or not the circumstances are such as to estop the vendor from asserting infringement."

Judge Warrington, speaking for the same court, in *Hazen Mfg. Co.* v. *Wareham,* 242 Fed., 642, 647, said:

> ". . . Ever since *McClurg* v. *Kingsland* (1843), 1 How. (42 U. S.) 202, 11 L. Ed. 102, the rule has prevailed that an implied license such as is claimed here under the customary name of a 'shop right' is to be founded upon conduct of the inventor which gives rise to an estoppel *in pais;* such cases must of necessity depend at last upon the intention of the parties; and such intention is of course to be ascertained in every case according to the particular facts and circumstances involved. . . ."

The Court of Appeals for the Second Circuit in the recent decision in *General Electric Co.* v. *Continental Lamp Works,* 280 Fed., 846, cited with approval and quoted from the above decision of Judge Lurton, and said (851):

> "We accept this statement of the law, and with it as a guide we think the parties here did not intend that an implied license be granted. The mere sale imports no license, except where the circumstances plainly indicate that it did, or except where good faith required it, or where it cannot be doubted that the vendee understood that they were getting a license. . . ."

Applying the above expressed law as to implied licenses to the facts in the case at bar, it conclusively follows that purchasers of plaintiff's duplicating machines do not acquire an implied license to reconstruct such machines by assembling with the frames thereof duplicating bands and spools purchased from defendant.

The plaintiff maintains a service department, the entire duty of which is to repair machines, give instructions to operators, explain troubles which may arise, and aid purchasers in securing the best possible service from their machines. It receives no compensation whatever from the purchasers of its duplicating machines for the services which it renders to them, but renders such services in consideration of its customers buying from it additional duplicating bands and spools when necessary. Plaintiff derives its profits from its business through the sale of additional duplicating bands and spools to its customers rather than the sale of the duplicating machines themselves. (R. 25, 26.)

Plaintiff, therefore, sells its duplicating machines with the expectation that it will furnish to the purchasers of such machines additional duplicating bands and spools, and the purchasers of such duplicating machines acquire

them with full knowledge that the plaintiff makes a business of furnishing additional duplicating bands and spools. There is therefore not only no implied license to purchasers of plaintiff's duplicating machines to assemble with the frames thereof duplicating bands and spools furnished through others, but an implied license is conclusively negatived by the above related circumstances attending the sale of duplicating machines.

Petitioner's Apprehension That the Decision of the Appellate Court Will Lead to Practices Prejudicial to the Rights of the Public Is Unfounded.

Petitioner in his brief, page 3, characterizes the decision of the Court of Appeals as "revolutionary."

The decision of the Court of Appeals merely holds that the portion of the patent monopoly which grants to the patentee the exclusive right to make the invention entitles the patentee for the term of the patent, to prevent others from making his invention by assembling the elements thereof. The right accorded plaintiff is the same right that every patentee possesses under his patent monopoly. For seventeen years the public can only manufacture, sell, or use, the patented invention with the consent of the patentee. The public is in no wise deprived of any rights which it possessed prior to the granting of the patent, to manufacture, sell and use the various parts of the patented invention, but cannot assemble them in the co-operative relation in which the invention of the patent resides.

Petitioner asserts that the decision of the Court of Appeals completely abrogates the right of repair of the purchaser of a patented machine. In this statement petitioner is in error, as the purchasers of plaintiff's duplicating machines have the right to repair or replace any

parts thereof, or auxiliaries thereto, which are not elements of the patented combination, and also has the right to *repair any elements of the patented combination.* The purchaser is merely precluded from substituting in the duplicating machine, for elements of the combination in which the invention resides, new elements obtained from an unauthorized party.

Petitioner urges that applicants for patents will in claiming their inventions include all of the detailed features and the specific elements possible in order that when their patents are granted they may monopolize the supply to their customers of as many renewal parts as possible.

The public is protected from the abuse of such practice by the well established law that a combination claim will only be allowed by the Patent Office when all of the elements thereof co-operate, and no claim will be allowed the elements of which do not enter into a new co-operative relation. The courts frequently hold invalid, on the ground of aggregation, claims which purport to cover combinations, but in which the elements do not co-operate in any novel way.

If an invention resides in a combination of co-operating elements, the patentee has the exclusive right to make his invention by assembling the elements thereof, regardless of their number. Anyone who furnishes a single element of his patented combination, with the knowledge and intent that it is to be assembled in co-operative relation with the other elements of the invention, is an infringer.

Petitioner complains that the decision of the Appellate Court leaves no test whatsoever to determine how far a user of a patented machine may go in repairing it. Quite the contrary is true. The decisions of this court in the Victor Talking Machine case, and that of the Appellate Court in the instant case, establish a very simple test for

distinguishing repair from reconstruction. The elements of the patented combination may be themselves repaired, and any parts of the patented machine which do not in themselves form part of the invention may be repaired or replaced by the user, but the user may not substitute for one of the elements of the patented invention in his machine a new element purchased from an unauthorized party. The test is therefore whether the part of a machine which a user replaces is an element of the invention as covered by the patent, or is merely a part thereof in which the invention as claimed does not reside.

The decision of the Appellate Court in the case at bar, just as did the decision of this court in the Victor Talking Machine case, reiterates the long recognized right of a patentee to monopolize for the limited term of his patent, the *making* of the invention covered thereby. The Appellate Court said:

> "With the wisdom of the legislation which protects a monopoly in a combination, one element of which calls for frequent renewal, we are not concerned. We are dealing with the legislative enactment, the statute in force, which defines the extent of patentee's grant.
>
> "So viewing the question in the light of these decisions, we conclude appellee was infringing the the patent in suit under the circumstances here disclosed." (R. 174.)

Validity of Patent in Suit.

The defendant, neither in the District Court nor in the Circuit Court of Appeals, seriously attacked the validity of claim 42 of plaintiff's patent, and neither court in its opinion referred to such defense. Defendant, in his brief before this court, however, refers to the prior art patents which were offered in evidence, and we will therefore briefly review them, although they do

not disclose duplicating machines, but merely disclose other kinds of machines for entirely different purposes, comprising spindles or spools upon which various sorts of fabric are wound.

The patent to Bendall (R. 96) discloses a machine for making three-ply roofing felt, in which rolls of paper are supported which are used in making the felt. The felt is made in a continuous webbing, which is wound upon a spool or roller, which may be rotated by applying a crank to either end thereof. This patent does not disclose a spool having the structural features defined by claim 42 of the patent in suit, nor even a spool which is reversed end for end in its engagement with the supporting frame. There would be no occasion in the use of the Bendall machine for reversing the spool.

The patent to Dooley (R. 100) shows a machine for making cord and rope. The spool shown in Figs. 4, 5, 6 and 7 is mounted to turn with friction on a shaft or spindle that is not-rotatably held in the arms of the flier. The spindle is not rotated and has neither a chuck engaging member nor a bearing member at each end.

The patent to Hanson (R. 114) shows a wire reel holder comprising a spool clamped upon a shaft having cranks on the opposite ends thereof. The shaft upon which the spool is mounted is merely held by hand and is not adapted to engage the supporting frame of a machine.

The patent to McIntire (R. 118) discloses a stenographer's cabinet, comprising two spools, from one of which the paper is unwound, and upon the other of which it is wound as it is used. The spools are not provided at each end with a chuck-engaging member and a bearing member, nor is the supporting frame provided at one side with a journal bearing and at the other side with a chuck.

The patent to Taylor (R. 134) shows a wire fence ma-

chine, comprising a spool for supporting a wire and another spool upon which a wire fence is wound. The spools do not have the features defined in claim 42 of the patent in suit. There would obviously be no occasion for reversing the spools in the Taylor wire fence machine.

The patent to Thornton (R. 158) discloses a photographic film roll and holder. The spool is not reversible in its support, and consequently does not have the structural features of the spool and supporting frame of Flanigan's duplicating machine.

The patent to Krause (R. 164) discloses a machine for rerolling cloth. The roll of cloth is unwound from one roller and rewound on another. The ends of the rollers are not engaged with the supporting frame, by the means defined in claim 42 of the patent in suit.

The prior patents offered in evidence by defendant do not show a multiple copying machine comprising the combined elements defined in claim 42, nor do the prior patents show any kind of a machine comprising a frame having on one side thereof a journal bearing and on the opposite side a chuck, and spools upon which a member is adapted to be wound, such spools having at each end a squared chuck-engaging member and a cylindrical bearing member.

Neither the fact that spools or spindles, *per se*, had been used prior to plaintiff's invention, nor the fact that duplicating bands had been previously used, nor the fact that spools having secured thereto a flexible member had been used as parts of other machines, such as cameras or stenographers' appliances, militates against the presence of invention in the Flanigan duplicating machine, which comprises a new combination of elements co-operating to form a novel and efficient manifolding machine.

It is well recognized that a new combination of co-operating elements is not devoid of invention, even

though all of the elements had been previously used in other associations.

This court in *Cantrell* v. *Wallick*, 117 U. S., 689, 694, said:

> "The first defense is based on the theory that a patent cannot be valid unless it is new in all its elements as well as in the combination. . . . But this theory cannot be maintained. If it were sound no patent for an improvement on a known contrivance or process could be valid. And yet the great majority of patents are for improvements in old and well-known devices, or on patented inventions."

To the same effect is the more recent decision of this court in *Leeds & Catlin Co.* v. *Victor*, 213 U. S., 301, 318, from which the following is quoted:

> "A combination is a union of elements, which may be partly old and partly new, or wholly old or wholly new. But, whether new or old, the combination is a means—an invention—distinct from them. They, if new, may be inventions and the proper subjects of patents, or they may be covered by claims in the same patent with the combination.
>
> "But whether put in the same patent with the combination or made the subjects of separate patents, they are not identical with the combination. To become that they must be united under the same cooperative law. Certainly, one element is not the combination, nor, in any proper sense, can it be regarded as a substantive part of the invention represented by the combination, and it can make no difference whether the element was always free or becomes free by the expiration of a prior patent, foreign or domestic. In making a combination, an inventor has the whole field of mechanics to draw from."

An earlier decision of this court to the same effect, and one which is frequently cited as an authority was that it *Bates* v. *Coe*, 98 U. S., 31, 48, from which the following quotation is made:

> "Where the thing patented is an entirety, consist-

ing of a single device or combination of old elements, incapable of division or separate use, the respondent cannot escape the charge of infringement by alleging or proving that a part of the entire thing is found in one prior patent or printed publication or machine, and another part in another prior exhibit, and still another part in the third one, and from the three or any greater number of such exhibits draw the conclusion that the patentee is not the original and first inventor of the patented improvement."

The combination in plaintiff's duplicating machine, as defined by claim 42 of the Flanigan patent, of the spools having at each end a squared chuck-engaging member and a cylindrical bearing member, the band on the spools, and the frame having on one side journal bearings and on the opposite side chucks, results in important advantages in the use of the duplicating machine. The band may be wound by successive steps from one spool to the other, and then subsequently reused by reversing the positions of the spools in the machine frame, which involves turning each spool end for end, thereby saving the time which would be required in rewinding the band from one spool to another after it had been once used and before it could be used again, and prolonging the utility of the duplicating band through distributing the wear thereon by reversing the marginal portion thereof.

The prior patents do not show spools or spindles, *per se,* capable of being used in a duplicating machine, but even if such were the case, claim 42 of plaintiff's patent would be none the less valid as covering a new combination of old elements.

The efficiency of plaintiff's duplicating machine manufactured under the patent in suit is evident from the fact that the defendant finds a profitable business in supplying to users of plaintiff's machines new spindles and bands, and is testified to by the witnesses.

Mr. Wright testified (R. 29):

"Q. Were you with your present company at the time these duplicating machines were installed in use?

"A. Yes, I was.

"Q. Have you found in their use any advantage over previous methods there practiced in reproducing copies?

"A. Yes, we have. Economically we save about 100 per cent. more in the operation of those machines against the carbon paper and ordinary typewriting."

Mr. Bauer testified (R. 31):

"Have you found that the use of the duplicating machine has been of any advantage to you in your work?

"A. It has. It has been of a great deal of advantage; a great deal. This machine they claim a great deal for and I claim this machine can do more than it is claimed for. I found this machine very, very satisfactory. We turn out some beautiful pieces of work."

Conclusion.

It is submitted by respondent that the decree of the Circuit Court of Appeals for the Seventh Circuit correctly interprets the law in holding that plaintiff's right to make its patented duplicating machine was infringed by the assembly with old frames of its machines, of new duplicating bands or spools made and sold by the defendant; that the decision of the Circuit Court of Appeals is in full accord with the decision of this court in the Victor Talking Machine case; and that the decree of the Court of Appeals should therefore be affirmed.

Respectfully,

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CHICAGO, ILL., Sept. 15, 1923.